

**Statement by Assistant Secretary of State
for Near Eastern Affairs
C. David Welch**

**House International Relations Committee
March 2, 2006**

Thank you, Mr. Chairman. I'm pleased to have the opportunity to address the committee today. Although a great deal has transpired in the course of my year as Assistant Secretary, I would like to focus my remarks today on the last two months, a time of important changes in the Israeli-Palestinian arena. On January 25, Palestinians voted in Legislative Council Elections, the first parliamentary vote in ten years. These elections were free and fair, characterized by good security and high voter turnout, and reflect the growing trend towards democracy throughout the Middle East.

As you know, our commitment to democracy is not measured by the achievement of a particular electoral result; democracy is not always a process that produces outcomes that are in accordance with our desires. Hamas won a victory over Fatah in the Palestinian elections, and in light of that victory, we have had to grapple with some difficult questions about the future of our relationship with the Palestinian Authority, the likelihood of a terrorist group in the Palestinian government, and our assistance programs in the Palestinian territories.

Let me at the outset say that our commitment to the security of Israel remains unshakable and that we continue to consult closely with our ally and friend on ways forward in light of these developments. During my meetings with Israeli officials over this past weekend, I found they largely share our goals and concerns. In the broader international context, together with our Quartet partners, we have outlined a strategy based on both principle and pragmatism. The January 30 Quartet statement expressed our belief that the Palestinian people have the right to expect a new government to address their aspirations for peace and statehood. With governing comes responsibility. We stated that future assistance to any Palestinian government will be reviewed against that government's commitment to three principles: abandonment of terror and violence, recognition of Israel, and acceptance of previous agreements and obligations. It is not possible to pursue a peaceful life for your people while you engage in terrorism, nor is it possible to make peace with a country whose very right to exist you deny. Thus, we have placed the onus squarely on Hamas. Hamas will now have to bear responsibility for the decisions it makes and face up to the consequences of those decisions, which will shape the international community's approach to issues involving the Palestinians and regional peace-making efforts.

Until a new government is formed, we are cooperating with the international community to facilitate the work of the caretaker government. In the last month, we have worked with Arab governments and the international community to stabilize the finances of the Palestinian Authority until the new government takes over. In December Saudi Arabia and Qatar pledged additional support for the PA, and more recently Russia has done so. We continue to maintain close contacts with President Abbas and Acting Finance Minister Jihad Al-Wazir to maintain the financial viability of the caretaker government.

The Hamas victory has necessitated a thorough interagency review of our assistance program for the Palestinians, which is diverse. As this committee knows, most U.S. assistance has been provided directly to the Palestinian people, through NGOs and contractors. Our review encompasses each and every USG assistance effort involving the Palestinians, and includes any assistance provided to the Palestinian Authority itself. The work of this review is well advanced, and we expect to be able

to recommend ways forward to our senior leadership in the days to come and to receive their guidance. I can say that as part of that effort, we have already requested, and the Palestinian Authority has agreed, to return the unexpended balance – in excess of \$45 million -- of funding provided last year for new infrastructure projects in Gaza.

Let me briefly outline the principles that are guiding this review. First, we have not, do not, and will not provide assistance to Hamas – in government or out of government. Second, because it serves important U.S. national interests, we are looking for ways to continue to help the Palestinian people, particularly through provision of assistance to help meet basic humanitarian needs. Third, our policy will be logical and consistent in order both to send a clear signal to the Palestinians of our expectations, and also to secure the support and emulation of an international donor community which provides considerable Palestinian aid. Finally, we will ensure full consultation with the Congress and with key regional interlocutors once our review is completed.

We have encouraged our neighbors in the international community to similarly review their assistance efforts, based on the principles set forth by the Quartet. The international community has a critical role to play as we move forward, and we are working to ensure that Hamas receives the consistent message that it must commit to the principles of ending violence and terror, recognizing Israel, and accepting previous agreements.

It is important to remember that the Palestinian people's aspirations to live in peace remain strong. Although Hamas won a majority of seats in the PLC, it won those seats on the basis of a narrow plurality of votes. Hamas was able to turn that narrow plurality of popular votes into a larger number of seats due to its superior organization during the election and idiosyncrasies of the bloc voting system used in the elections. Opinion polls and detailed analysis of the balloting suggest the vote for Hamas was more a protest against Fatah's governance record than a vote of support for Hamas' political agenda. We continue to believe the Palestinian people support the policies of President Abbas, whom they elected on a platform of peace just over a year ago. President Abbas made clear in his speech on February 18 that he expects the future government to accept previous agreements and obligations between the parties and adhere to a negotiating process with Israel aimed at a two-state solution.

The challenge we will face in the coming months is to continue to demonstrate to the Palestinian people that their interests and aspirations are best served by supporting those who share a vision of the path of peace. It will be important for us to maintain contact with and support moderate Palestinian voices. Democracy is a right, but elected officials must act responsibly and accept the consequences of their decisions. Elections do not wash away all sins. Hamas was responsible for dozens of suicide bombings in the past decade, and by its own statements, the current "calm" is only a tactical lull. It is up to Hamas to embrace change to better pursue achievement of the desires of the Palestinian people to live in peace or to take responsibility for the consequences of its failure to do so. You cannot deliver a peaceful and better life for your people if you are not committed to peace.

Thank you, and I will be happy to take your questions.